

FOR RELEASE UPON PRESENTATION
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Statement

of

NASA BIOG:

Mr. James E. Webb

Administrator

National Aeronautics and Space Administration

before the

Subcommittee on Government Procurement

Select Committee on Small Business

United States Senate

April 26, 1961

Mr. Chairman, Members of the Committee,

The Congress, in the National Aeronautics and Space Act of 1958, provided that NASA shall allocate its contracts "in a manner which will enable small business concerns to participate equitably and proportionately in the conduct of the work" to the maximum extent practicable and consistent with the accomplishment of its mission.

To do this, NASA has set up a small business program and appointed Mr. Jacob M. Roey as Small Business Advisor at our headquarters.

At each of our research centers where purchasing is done, we have also appointed a small business specialist, who is available for consultation and advice to small business concerns and who is responsible for taking steps to see that small business companies are considered for contracts. To do this, he reviews all purchase requests of

\$2,500 or more to be sure the names of small business concerns who are known to be able to perform the contract are included in a list of those companies invited to bid or submit proposals. In procurements estimated to be \$10,000 or more, the Small Business Administration's Regional Office is also invited to screen the purchase request and add additional small business sources.

In certain cases where the items can be satisfactorily supplied by small business concerns, the entire procurement or a portion of it may be set aside for award only to small business contractors. During the first nine months of FY 1961, NASA awarded 140 contracts, totaling over \$3,000,000, under this set-aside procedure.

We have taken a number of steps to help small business concerns learn of our program and secure contracts and sub-contracts.

Last July, NASA presented its long-range program to an industry meeting in Washington so that business concerns might learn what NASA could be expected to be buying. The invitation list to this meeting included all of the small business concerns which the Small Business Administration suggested, as well as the small business concerns on the NASA list. Similar meetings were held at three of our research centers and many small business concerns attended.

Other similar meetings will be held in the future.

Further, at each of our research centers we have reviewed our program with personnel from the headquarters of the Small Business Administration to emphasize its importance. We have published a booklet, "Selling to NASA," which tells contractors where to go for business and how NASA does its buying. We have set out in our Management Manual our small business policy, our regulations, and contract clauses.

While we welcome small businesses as prime contractors wherever they are qualified, there are some contracts which require extensive facilities and engineering staffs that are not available to small companies. An example of this is the very large F-1 engine, which develops 1,500,000 pounds of thrust. However, under the larger prime contracts, there is a big field for small business concerns as subcontractors and we believe this is a field in which much can be done for small business concerns. NASA contracts of \$1,000,000 or more contain a provision which requires the contractor to conduct a small business program and goes into detail as to what the contractor is expected to do for small business subcontractors.

In order to keep track of how much subcontract work is going to small business concerns, NASA is now including in future contracts a requirement for reports, and we are

attempting to get this information from existing contractors on a voluntary basis. By working closely with larger contractors, we are endeavoring to assure more small business participation than there has been in the past. The Small Business Administration is planning to meet with the larger companies holding Government contracts to see what can be done to sponsor more small business participation, and NASA will participate. We have recommended agenda items for discussion and a list of companies to be invited.

Now, how much NASA business have small business concerns received? For fiscal year 1960 and the first nine months of FY 1961, NASA awarded contracts totaling approximately \$450,000,000 directly to industry. Of this amount, 16% or \$72,100,000 went to small business. Of 104,621 NASA contractual actions, 65% or 68,143 went to small business.

These figures do not include the amounts NASA has transferred to other Government departments or agencies for the purpose of making purchases for NASA, nor do they reflect contracts made with colleges and universities.

On May 1, NASA will take a step which we believe will be of further assistance to small business concerns. Many smaller companies are interested in securing subcontract business but have been unable to find out in time where to go for subcontract work. If they wait until an announcement

is made of the award of a large prime contract, it is frequently too late because prime contractors usually line up their subcontractors before they submit their contract proposals. Heretofore, many potential small subcontractors have had no means of finding out what large companies were submitting contract proposals.

To overcome this, NASA has issued a regulation which provides that all proposed unclassified research and development contracts estimated to total \$100,000 or more, as well as supply and construction contracts estimated to total \$10,000 or more, will be published in the "Synopsis of U. S. Proposed Procurement, Sales and Contract Awards," the newspaper which is published by the Department of Commerce.

Not only will we publicize our requirements and procurement actions but we will also publish the names and addresses of the companies to whom requests for proposals or invitations for bid are being sent. This information will be available to small business concerns, who will then know to what companies they should go and who may be interested in securing their services. Some companies may also wish to submit proposals for prime contracts and their proposals will be welcomed.

In addition, NASA public information offices will make known, upon request, the names of companies who attend NASA bidders' conferences which are held before proposals are solicited for the larger research and development contracts.

Further, the names of companies who submit proposals will be available after the deadline date for submission of proposals. All of these steps, we believe, will aid small business concerns in lining up subcontracts.

Mr. Albert Siepert, Director of Business Administration, and Mr. Ernest Brackett, Director of Procurement and Supply, are here with me and we are prepared to answer your questions.

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